State of Kansas

INFORMATION TECHNOLOGY EXECUTIVE COUNCIL

ATTACHMENT A TO ITEC POLICY 2500

QUARTERLY REPORT GUIDELINES

OVERVIEW

Part 1 of this document provides detailed instructions on how to complete each quarterly report document required by ITEC Policy 2500 – Project Status Reporting. Quarterly reports are to be submitted in their original electronic format (not in PDF) to: kito@da.ks.gov.

Part 2 of this document provides an overview of the Enterprise Project Management Office (EPMO) process for calculating the quarterly benchmarks. In accordance with JCIT Policy 2 – Review of Active Projects, the policy provides a common understanding and objective measurement for evaluating project status.

PART 1 - QUARTERLY REPORTING ATTACHMENTS

Attachment 1 – State Entity Checklist for Quarterly Project Status Report

The State Entity Checklist for Quarterly Project Status Report is a useful tool to ensure the quarterly report packet is complete. It will help the Project Manager (PM) ensure all documents are complete and included in the submission.

State Entity, enter the name of the agency responsible for the project.
Project Name, enter the name of the project as it appears on the DA-518.
Project Reporting Period, enter the period being reported. Quarterly or Biweekly (e.g. Jan-Mar 2009, July 23 to Aug 6, 2010)
Infrastructure Project (Y/N), please indicate with a Yes or No if the project is an infrastructure project.
Included (Y/N) if no, explain, for each item listed on the checklist indicate with a Yes or No on the side bar if the document is attached. If No, please explain why the document is not included.

The seven items included in the quarterly report are listed below:

- Letter of Transmittal
- Estimated Cost at Completion (ITEC PM02-8) – **Required if the project has not been baselined prior to execution.**
- Work Breakdown Structure
- Work Product Identification (ITEC PM 02-6)
- Risk Identification Summary (ITEC PM 02-11a)
- Top Five Issues (ITEC PM 02-14)
- Change Management (ITEC PM 09)

Please note that Infrastructure projects only require the Checklist and the Letter of Transmittal to be submitted.

Attachment 2 – Quarterly Project Status Report Letter of Transmittal

The Letter of Transmittal provides key project information regarding the current status of a project. All information submitted helps readers of the quarterly report to better understand

how the IT project is progressing and whether it is achieving its targeted goals or experiencing problems. The Letter of Transmittal is divided into four (4) main sections. They are listed below:

1. **General Project Information**
   - To: Name of the Chief Information Technology Officer of Appropriate Branch
   - From: Name of the Project Sponsor
   - Agency Name: Name of the agency responsible for the project
   - Reporting Period: List the period being reported. Quarterly or Biweekly (e.g. Jan-Mar 2009, July 23 to Aug 6, 2010)
   - Project Name: List the name of the project as described in the DA-518.
   - Project Acronym or Subproject: If the project uses an acronym please list it here. (Some agencies use this, others don't).
   - Project Manager Name: List the name of the PM assigned to the project.
   - Is the PM certified in the State of Kansas Project Management Methodology? Mark Yes or No. If No and the PM is certified, please indicate the name of the organization. (Eg. Project Management Institute)
   - Name of person who prepared status report. List the name of the person who is preparing the reports. (May be different than the Project Manager. Include contact information.)
   - Name of Vendor: When there are multiple vendors, include 1 -3 words that describe the function the vendor will perform. (e.g. IV&V, Application Development, Project Management, Software Vendor etc.)

2. **Cost to Date Section**
   - Project Cost to Date: Summary total of all costs reported to date.
   - Subproject Cost to Date: Total of costs reported by project phase or by subproject. The Enterprise Project Management Office (EPMO) only monitors the execution phase, execution costs are all that need to be reported. However, if execution contains more than one subproject report costs for each subproject. **(Please remember to report both internal and external costs.)**

3. **Adjustment Section**
   - Adjusted Project and/or Subproject Start Date (if different from DA-518 detailed plan): Describe the new start date (e.g. x/xx/xx) if different than the planned execution Start Date. Please reflect the new adjusted date in the current WBS.
   - Adjusted Project and/or Subproject End Date (if different from DA-518 detailed plan): Describe the new end date (e.g. x/xx/xx) if different than the planned execution End Date. Please reflect the new adjusted date in the current WBS.
   - On Schedule? Yes/No. Indicate with Yes/No if the project is on schedule.
   - On Budget? Yes/No. Indicate with Yes/No if the project is on budget.
   - Project Schedule Change or Overrun Greater Than 10% or $1,000,000? Yes/No. Indicate with Yes/No if the project schedule change or overrun is greater than 10% or $1,000,000.
   - Adjusted Project and/or Subproject Budget (if different from current DA-518 detailed plan): – Please describe the change if different than the DA-518.

4. Status Summary Section

- Progress status statement: Lastly, include three (3) or four (4) sentences (more, if applicable) that summarizes project activity during the quarter. (e.g. Include information regarding delays, changes and issues etc.) Please remember that this information is read by stakeholders, agency management, JCIT and the public so it is your opportunity to provide them with enough information to understand what is happening in the project.

Attachment 3 – Estimated Cost at Completion (EAC) ITEC PM 02-8

The EAC is required if your Work Breakdown Structure (WBS) has not been baselined. Without a baseline in the WBS, some of the columns will display zero and the information needed to conduct the analysis will not be available. The EAC should be completed at the highest level tasks. The EAC can be created using MS Project or Excel. If using MS Project please include all columns described on the EAC Form ITEC PM 02-8.

WBS No, list the task line number described in the WBS.
Activity Description, (also known as Task Description) list the same Task Description used in the Detailed Plan.
Estimated Hours, list the Estimated Hours or Baseline Hours described in the Detailed Plan. These resource hours are considered the benchmark for conducting the analysis.
Actual Hours, the number of person hours expended on the task to date.
Estimated to Complete, list the Estimated Hours still needed to complete the task (This may require an assessment of how many additional hours will still be needed to complete the task. This column is not always Estimated Hours minus Actual Hours).
Estimate at Complete, list the sum of Actual Hours plus Estimate to Complete. (This is an automatic calculation in the MS Project and Excel form.)
Variance, list Estimated at Complete minus Estimated Hours. (This is an automatic calculation in the MS Project and Excel form.)

Attachment 4 – Work Breakdown Structure (WBS)

During Execution, the project team and specifically, the project manager's focus shifts from discovery to tracking and reviewing. Tracking and reviewing is assisted with the use of a Work Breakdown Structure (WBS). When preparing the WBS in MS Project or Excel please include all the columns listed in the Checklist.

WBS Number
Task Description
Duration
Start Date
Finish Date
% Complete
Baseline Work
Actual Work

Remaining Work
Work
Work Variance
% Work Complete
Predecessors
Critical Path
Milestone
Resource Names

Details on developing a WBS are discussed in ITEC Policy 2400 A – Information Technology Project Planning Guidelines and will not be discussed in detail here. **However, it is important to baseline your project prior to execution.** The baseline is a valuable tool and helps to track progress and compare work with the approved plan. Make sure all WBS data items are updated through the end of the quarter or biweekly period being reported. (e.g. finish dates, work hours, percentage complete, tasks complete, etc.)

The WBS is a very important document because it will be used to measure the quarterly benchmarks for Critical Path, Resource Hours, Task Completion and the Deliverable Completion Rate.

Attachment 5 – Work Product Identification (WPI) ITEC PM 02-6

The Work Product Identification (WPI) identifies and tracks the major project deliverables or milestones to be produced in a project.

Deliverable Name, list the deliverable name as described in the Detailed Project Plan.
Due Date, retain the original deliverable due date as described in the Detailed Project Plan.
Revised Due Date, if an original deliverable due date has slipped and it has been extended, this information should be disclosed on the WPI by inserting a revised due date column on the form and by updating the new finish date in the WBS. ITEC PM 02-6 is a Word document and can be reformatted.
Date Delivered, enter the date the deliverable was completed. This date should be supported by the date shown on the WBS.
Point of Contact, list the name of the responsible person for the deliverable.

It is also important for the reason causing the delay to be properly disclosed in the Letter of Transmittal and in the Change Management Form if it meets the definition of a Change as described in the Kansas Project Management Methodology. (A change in the project affects the scope, cost, quality and nature of the contract deliverable as well as the functioning of the project team.)

Attachment 6 – Risk Identification Summary ITECPM 02-11a

According to the Kansas Project Management Methodology (PMM), a risk is any factor that may potentially interfere with the successful completion of the project. The Risk

Identification Summary form provides a description of the project risks, the probability of the risk occurring, the impact of the risk on the project, and the suggested mitigation activities.
Last Risk Assessment Date, list the date of the last risk assessment performed on the project.
Prepared by, list the name of the person preparing the Risk Identification Summary.
Category, list the risk category used in the project. Risk categories/events should be customized for each individual project.
Probability, list the probability of occurrence. Different methods can be used to quantify the chance of an event taking place. (e.g. High, medium, low or a decimal value from 0 to 1 (.70%)).
Impact, list the impact of the risk. Different methods can be used to quantify the impacts. (e.g. High, medium, low or a decimal value from 0 to 1 (.70%)).
Risk, provide a description of the risk event that could occur.
Mitigation, describe a mitigation activity that would minimize or eliminate the risk from occurring.

Attachment 7 – Top Five Issues ITEC PM 02-14

According to the PMM, project issues can be questions, problems or suggestions raised by the project team, management or contractor. Issues can affect the status of tasks or deliverables which could impact cost and schedule. A project issue differs from a project change by how it impacts the project. The Top Five Issues will list known issues associated with the project along with their current status.

Ref#, list the issue reference number unique to the project.
Issue Description, provide a description of the issue identified in the project.
Responsible Individual, list the name of the person responsible for resolving the issue.
Open Date, list the date the issue was identified and opened to be resolved by the team.
Closure Date, date the issue was resolved.
Status, provide an updated status of the issue listed.

Attachment 8 – Change Management ITEC PM-09

According to the PMM a Change Management Form is required if a change in the project affects the scope, cost, quality and nature of the contract deliverable as well as the functioning of the project team.

Include an approved Change Management Form (One that has gone through your internal Change Management Process) with the quarterly report packet to explain the change that has occurred in the project. Please follow the instructions already provided for completing the Change Management ITEC PM-09 form on the PPM website at: http://www.da.ks.gov/kito/ITECForms.htm.

Control Number
Change Proposal Title
Date Created
Originator

Agency
Proposed Change Description and Reference
Justification
Impact of Not Implementing Proposed Change
Alternatives
Analysis Completed by Change Control Board (Impact on Cost, Schedule and Resources)
Review Results

The Change Management Form will help to support the changes in the WBS and WPI.

PART 2 - QUARTERLY BENCHMARKS FORMULAS

The process described below constitutes the quarterly analysis which coupled with information on status, risk, issues and change management helps to determine if the project is meeting its objectives or if it is encountering problems.

The quarterly report information submitted by the agency is reviewed with the Branch Chief Information Technology Officer. Conditions and additional reporting requirements are then applied as directed by JCIT Policy 2.

Attachment 9 – Joint Committee on Information Technology - Review of Active Projects

Please see JCIT Policy #2 on the ITEC Policies website for more information.

1. Critical Path (Schedule)

JCIT Policy #2 states "The Project Manager should provide a project report on the critical path showing actual progress versus planned progress".

In order to meet this requirement, a comparison is made between the Detailed Approved DA-518 Execution End Date (Planned) with the current WBS Execution End Date (Actual). Any delays should be reflected in the WBS and described in the Letter of Transmittal in the Adjustments section. A variance between the actual and planned execution end dates will determine the project condition. If the variance is greater than 10% the project will be in Caution status, if the variance is greater than 20% the project will be in Alert status and if the variance is greater than 30% it is likely the project will be stopped and a recast required.

$$\frac{\text{Actual Estimated Execution End Date} - \text{Planned Execution End Date}}{\text{Planned Estimated Execution Length of Project in Months}} = \% \text{ Increase or Decrease}$$

Example:

Original Length of Execution for Project X is 10 months.
Due to a delay, the new Actual Estimated Execution End Date is now 9/15/10.

Planned Execution End Date described in the DA-518 was 9/1/10.

$$\frac{\text{9/15/10 – 9/1/10}}{\text{10 months}} = \frac{\text{2 weeks (.5 or ½ month)}}{\text{10 months}} = .05\% \text{ Increase}$$

Since the delay of two weeks is within the 10% variance the project is still considered in good standing.

2. Cost

JCIT Policy #2 states, "Reports shall show the actual cumulative total for all fund sources versus the original planned financial period totals".

In order to meet this requirement, a comparison is made between the DA-518 (Box 6) Planned Execution Project Cost To Date and the Letter of Transmittal – Execution Project Cost to Date. A review of the Adjustments Section in the Letter of Transmittal is also performed. (The questions include: Is the project on Budget? Yes or No; Is the project schedule change or overrun greater than 10% or $1,000,000? Yes or No; Adjusted Project and/or Subproject Budget (if different from current DA-518 detailed plan?)

A variance between actual and planned execution costs to date will determine the project condition. If the variance is greater than 10% the project will be in Caution status, if the variance is greater than 20% the project will be in Alert status and if the variance is greater than 30% it is likely the project will be stopped and a recast required.

$$\frac{\text{Actual Execution Project Cost To Date} - \text{Planned Execution Project Cost To Date}}{\text{Planned Execution Project Cost To Date}} = \%\ \text{Increase or Decrease}$$

Example:

Actual Execution Project Cost to Date = $1,118,250
Planned Execution Project Cost to Date = $988,000

$$\frac{\$1,118,250 - \$988,000}{\$988,000} = \frac{\$130,250}{\$988,000} = 13\% \text{ Increase}$$

Since the actual execution project costs to date exceeded the original budget by 13% the project will be placed in Caution Status.

3. Actual vs. Planned Resources

JCIT Policy #2 states, "The project manager should have planned and actual person hours in the project management system and should report on a continuing basis the cumulative planned person hours required versus the cumulative actual person hours provided".

In order to meet this requirement, a comparison is made between the Planned Execution Work Hours (also known as Baseline Hours) described in the Detailed Plan-WBS and the Actual Execution Work Hours. The difference between the two is the Actual Execution Work Variance. The Actual Execution Work Variance is then divided into the Actual Execution Work Hours to develop the deficiency gap. Please note, if the project WBS was not baselined, then the Estimated at Completion ITEC PM-02-8 is used.

The value of this benchmark is an indicator or red flag when projects begin to get into trouble. If more or less hours are being expended than what was originally planned, then the reasons "why" this is occurring will need to be reviewed.

Please note this is the only measurement by itself will not put a project in Caution or Alert status. As a result the condition must be coupled with another condition to affect project status. If the deficiency gap is between 15% and 20% the project manager should be acting with the project sponsor to correct the condition; if the deficiency gap is between 20% and 25% there should be a plan to show a compensatory change in resources or a plan to reduce the scope, cost and objectives for the project with approval of the agency head, if the deficiency gap is 25% or more third party review should be considered if the impact is reflected in other measures.

Planned Execution Work Hours - Actual Execution Work Hours = Actual Execution Work Variance

$$\frac{\text{Actual Execution Work Variance}}{\text{Actual Execution Work Hours}} = \text{Deficiency Gap \%}$$

Example:

Planned Execution Work Hours (Baseline Hours) = 9800
Actual Execution Work Hours = 12587

9800 - 12587 = -2787 hours

$$\frac{-2787}{12587} = -22\% \text{ Deficiency Gap}$$

The project has incurred a deficiency gap of 22%. The project estimated 2787 less resource hours than was actually needed. The project manager should prepare a plan to show a compensatory change in resources or a plan to reduce the scope, cost and objectives for the project with approval of the agency head.

4. Deliverable Completion Rate

JCIT Policy #2 states, "The project manager should report on the actual number of deliverables completed for the project versus the planned number of deliverables to be completed for the project through the date of the project".

To meet this requirement, a comparison is made between Actual Execution Deliverables Completed through the end of the quarter versus Planned Execution Deliverables To Be Completed through the end of the quarter. The Planned Execution Deliverables To Be Completed are defined in the Detailed Plan – WPI. If the completion rate is between 80% and 90% the project will be in Caution status, if the completion rate is less than 80% the project will be in Alert status.

$$\frac{\text{Actual Execution Deliverables Completed through end of the quarter}}{\text{Planned Execution Deliverables To Be Completed through end of the quarter}} = \%\ \text{Deliverable Completion Rate}$$

Example:

Planned Execution Deliverables To Be Completed through the end of quarter = 5 Deliverables
Actual Execution Deliverables Completed through end of the quarter = 3 Deliverables

3/5 = 60%

The project completed 3 of 5 deliverables expected up through the end of the quarter or 60%, as a result the project would be in Alert status. If a project has multiple subprojects, a cumulative percentage is calculated based on the result of all the subprojects.

Please be aware of the potential impact of the quarterly cut-off date. When setting deliverable due dates during the planning phase don't schedule them to occur at the end of the quarter. If even a slight delay occurs and the deliverable completion date goes past the quarterly cut-off date, then even a slight delay will negatively impact the Deliverable Completion Rate.

5. Task Completion Rate

JCIT Policy #2 states, "The project manager should report on the number of actual tasks completed versus the planned task completions for the project through the date of the report".

Given the time constraints that occur during the project review analysis a line by line comparison of actual versus planned tasks completed is not performed. As a result in order to meet this requirement, a comparison is made between the Actual Execution Tasks Completed through the end of the quarter versus the Total Execution Tasks Planned to be Complete through the end of the quarter. Parent tasks and milestones are not included in the counting of tasks. If the completion rate is between 80% and 90% the project will be in Caution status, if the completion rate is less than 80% the project will be in Alert status. If a project has multiple subprojects, a cumulative percentage is calculated based on the results of all the subprojects.

$$\frac{\text{Actual Execution Tasks Completed through end of the quarter}}{\text{Total Execution Tasks Planned To Be Complete through end of the quarter}} = \%\ \text{Task Completion Rate}$$

Example:

Actual Execution Tasks Completed through end of the quarter = 187
Total Execution Tasks Planned To Be Complete through end of the quarter = 214

187/214 = 87%

The project was only able to complete 187 of 214 tasks through the end of the quarter. There were 27 tasks that were incomplete. This results in an 87% Task Completion Rate and would place the project in Caution status.